



KANSAS CITY PUBLIC SCHOOL RETIREMENT SYSTEM

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MINUTES OF MEETING

Monday, December 7, 2015

The Board of Trustees of the Public School Retirement System of the School District of Kansas City, Missouri met in REGULAR SESSION on Monday, December 7, 2015 at 4:00 p.m. in the Retirement System office conference room at 4600 The Paseo, Kansas City, MO.

Members Present: Horace Coleman, Jr., Chairperson
 Richard O. Brown
 Joanne M. Collins
 Alexander P. Ellison
 Carl Evans
 Princeton Grayson
 Cheptoo Kositany-Buckner
 Curtis L. Rogers
 Linda E. Watkins

Staff Present: Christine Gierer, Executive Director
 Shannon McClain
 Laura J. Oswald

Others Present: Roger Offield
 Mark Flaherty, Esq.
 Rosemary Guillette, Segal Rogerscasey
 Kevin D. Collins, Fred Alger Management, Inc.
 Peter W. Latara, Fred Alger Management, Inc.
 Dean Graves, Denver Investments
 Lisa Ramirez, Denver Investments

There being a quorum present, the meeting was called to order at 4:00 p.m.

Horace Coleman, Jr., Chairperson presiding:

On motion of Mr. Ellison, seconded by Princeton Grayson, the Board voted unanimously to approve the appointment of Roger Offield, Charter Schools Representative, to the Board of Trustees.

On motion of Mr. Ellison, seconded by Mr. Rogers, the Board voted to approve the following items on the consent agenda:

Approval of the minutes of the Regular Meeting of the Board of Trustees held Monday, November 2, 2015

Approval of cash disbursements for the months of October 2015

Approval of the report of the Secretary submitting the names of members retiring since the last report including the dates of retirement and retirement allowances

Approval of the report of the Secretary submitting the names of members who have passed away since the last report

On motion of Mr. Ellison, seconded by Mr. Rogers, the Board voted to approve the report of Denver Investments.

On motion of Mr. Ellison, seconded by Mr. Rogers, the Board voted to approve the report of Fred Alger Management, Inc.

On motion of Ms. Collins, seconded by Ms. Kositany-Buckner, the Board voted to approve the second reading of the 2016 Administrative and Professional Services Budget.

On motion of Mr. Ellison, seconded by Mr. Rogers, the Board voted to approve the 2016 Technology Budget.

Ms. Gierer reported the certified results from VR Election Services determined the winner of the following seat:

Active Member Trustee, 4 Year Term: Richard O. Brown

On motion of Mr. Ellison, seconded by Mr. Rogers the Board voted to accept the election results as certified by VR Election Services.

Mr. Coleman requested Ms. Guillette report on the investment performance of the portfolio as of 9/30/15.

Ms. Guillette gave a general overview of the investment markets noting most asset classes for both the third quarter 2015 and year to date showed negative returns. She indicated we are experiencing a volatile market and the some investment losses incurred during September had gains in October and November. She noted through the third quarter 2015, KCPSRS portfolio shows a year-to-date return of -3.51%, slightly under the benchmark.

Ms. Guillette reviewed the total retirement fund composite, each fund manager's performance, and the returns of the managers compared to each relevant benchmark for the quarter, and the latest one, three, and five year periods. In reviewing the fund managers' performances, most met or exceeded their benchmarks for the latest one, three and five year periods. She noted the current and long term underperformance of a specific manager and indicated the Segal Rogerscasey team is contacting the manager to discuss their performance.

Ms. Guillette referenced the detail of the current asset allocation of the portfolio and indicated the asset class balances were all within policy ranges.

Report of the Chairperson

Mr. Coleman informed the Board that a retiree has not yet been found to fulfill the remainder of Ms. Caroline Helmkamp's term, which became vacant due to her passing in October of this year. He urged the search to continue. He asked that a list of educational opportunities for new Trustees be developed.

Report of the Executive Director

Ms. Gierer shared with the Board that a two to three hour session regarding actuarial duties and asset allocations is being prepared for the Trustees to attend in 2016.

Ms. Gierer notified the Board that an initial environmental audit by the buyers of the KCSPRS building required additional testing of the grounds. Results of the additional testing will be available early next week. A final office space for KCPSRS will need to be decided and Ms. Gierer articulated the details of the two locations being considered. After a lengthy discussion, on motion of Mr. Ellison, seconded by Ms. Collins the Board voted to authorize Mr. Flaherty to negotiate the terms of the 3100 Broadway location for the System's new office space.

Ms. Gierer presented the draft 2015 Procurement Action Report. Ms. Gierer will submit the report to the Joint Committee on Public Employee Retirement.

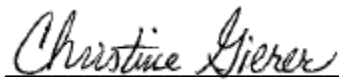
Ms. Gierer presented to the Board the Audit Contract Fee Proposal of Mayer Hoffman McCann, P.C. for the years 2015, 2016 and 2017. After a lengthy discussion, the Board requested information concerning the audit expense of GASB 68 "Schedule of Employer Allocations and Pension Amounts by Employers" be sent to each employer stating the System incurred the cost for the GASB 68 audit this year but for future years each employer will be responsible for their

portion of the expense based on the Schedule of Employer Allocations. It was agreed to revisit this topic prior to next year's audit.

Ms. Gierer communicated to the Board that our Legislative Consultant has provided a status of legislative bill filings and a legislative report will be provided to and reviewed by the Legislative and Benefits committee in January.

The meeting was adjourned by common consent at 6:25 pm.

Respectfully submitted,

A handwritten signature in cursive script that reads "Christine Gierer". The signature is written in black ink and is positioned above a horizontal line.

Christine Gierer, Executive Director